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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके ।
Separate paging is given to this Part in order that it may be filed as a separate compilation

RAJYA SABHA

The following Bills were introduced in the Rajya Sabha on the 14th May, 1986:—

I

BILL NO. XXII OF 1986

A Bill further to amend the Mines and Minerals (Regulation and Development) Act, 1957.

BE it enacted by Parliament in the Thirty-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Mines and Minerals (Regulation and Development) Amendment Act, 1986. Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. In section 4 of the Mines and Minerals (Regulation and Development) Act, 1957 (hereinafter referred to as the principal Act), 67 of 1957. Amendment of section 4.

(*a*) in sub-section (*1*), after the proviso, the following proviso shall be inserted, namely:—

"Provided further that nothing in this sub-section shall apply to any prospecting operations undertaken by the Geological Survey of India, the Indian Bureau of Mines, the Atomic Minerals Division of the Department of Atomic Energy of the Central

Government, the Directorates of Mining and Geology of any State Government (by whatever name called), and the Mineral Exploration Corporation Limited, a Government company within the meaning of section 617 of the Companies Act, 1956."; 1 of 1956.

(*b*) after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*3*) Any State Government may, after prior consultation with the Central Government and in accordance with the rules made under section 18, undertake prospecting or mining operations with respect to any minerals specified in the First Schedule in any area within that State which is not already held under any prospecting licence or mining lease.".

Substitution of new section for section 4A.

3. For section 4A of the principal Act, the following section shall be substituted, namely:—

Termination of prospecting licences or mining leases.

"4A. (*1*) Where the Central Government, after consultation with the State Government, is of opinion that it is expedient in the interest of regulation of mines and mineral development, preservation of natural environment, control of floods, prevention of pollution, or to avoid danger to public health or communications or to ensure safety of buildings, monuments or other structures or for conservation of mineral resources or for maintaining safety in the mines or for such other purposes, as the Central Government may deem fit, it may request the State Government to make a premature termination of a prospecting licence or mining lease in respect of any mineral other than a minor mineral in any area or part thereof, and, on receipt of such request, the State Government shall make an order making a premature termination of such prospecting licence or mining lease with respect to the area or any part thereof.

(*2*) Where the State Government, after consultation with the Central Government, is of opinion that it is expedient in the interest of regulation of mines and mineral development, preservation of natural environment, control of floods, prevention of pollution or to avoid danger to public health or communications or to ensure safety of buildings, monuments or other structures or for such other purposes, as the State Government may deem fit, it may, by an order, in respect of any minor mineral, make premature termination of a prospecting licence or mining lease with respect to the area or any part thereof covered by such licence or lease:

Provided that the State Government may, after the premature termination of a prospecting licence or mining lease under sub-section (*1*) or sub-section (*2*), as the case may be, grant a prospecting licence or mining lease in favour of such Government company or corporation owned or controlled by Government as it may think fit.

(*3*) No order making a premature termination of a prospecting licence or mining lease shall be made except after giving the holder of the licence or lease a reasonable opportunity of being heard.

(4) Where the holder of a mining lease fails to undertake mining operations for a period of one year after the date of execution of the lease or, having commenced mining operations, has discontinued the same for a period of one year, the lease shall lapse on the expiry of the period of one year from the date of execution of the lease or, as the case may be, discontinuance of the mining operations:

Provided that the State Government may, on an application by the holder of a lease submitted within a period of six months from the date of its lapse and on being satisfied that such non-commencement or discontinuance was due to reasons beyond the control of the holder of the lease, revive the lease from such prospective or retrospective date as it thinks fit but not earlier than the date of lapse of the lease:

Provided further that no lease shall be revived under the first proviso for more than twice during the entire period of the lease.".

Substitution of new section for section 5.

4. For section 5 of the principal Act, the following section shall be substituted, namely:—

Restrictions on the grant of prospecting licences or mining leases.

"5. (1) No prospecting licence or mining lease shall be granted by a State Government to any person unless he—

(a) is an Indian national; and

(b) satisfies such conditions as may be prescribed:

Provided that in respect of any mineral specified in the First Schedule, no prospecting licence or mining lease shall be granted except with the previous approval of the Central Government.

Explanation.—For the purposes of this sub-section, a person shall be deemed to be an Indian national,—

1 of 1956.

(a) in the case of a public company as defined in the Companies Act, 1956, only if a majority of the directors of the company are citizens of India and not less than sixty per cent. of the share capital thereof is held by persons who are either citizens of India or companies as defined in the said Act;

(b) in the case of a private company as defined in the said Act, only if all the members of the company are citizens of India;

(c) in the case of a firm or other association of individuals, only if all the members of the firm or members of the association are citizens of India; and

(d) in the case of an individual, only if he is a citizen of India.

(2) No mining lease shall be granted by the State Government unless it is satisfied that—

(a) there is evidence to show that the area for which the lease is applied for has been prospected earlier and the existence of mineral contents therein has been established:

Provided that nothing in this clause shall apply to any area if such area has already been prospected by a Department or an agency of the Government and the existence of mineral contents therein has been established;

(b) there is a mining plan duly approved by the Central Government for the development of mineral deposits in the area concerned.".

Amendment of section 6.

5. In section 6 of the principal Act, in sub-section (1), in the opening portion, the words "in any one State" shall be omitted.

Amendment of section 7.

6. In section 7 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) A prospecting licence shall, if the State Government is satisfied that a longer period is required to enable the licensee to complete prospecting operations, be renewed for a period not exceeding one year:

Provided that such prospecting licence may, subject to such satisfaction of the State Government, also be renewed for a further period not exceeding one year:

Provided further that no prospecting licence granted in respect of a mineral included in the First Schedule shall be renewed except with the previous approval of the Central Government.".

Amendment of section 8.

7. In section 8 of the principal Act, for sub sections (1) and (2), the following sub-sections shall be substituted, namely:—

"(1) The period for which a mining lease may be granted shall not exceed twenty years.

(2) A mining lease may be renewed for two periods each not exceeding ten years:

Provided that no mining lease granted in respect of a mineral specified in the First Schedule shall be renewed except with the previous approval of the Central Government.".

Amendment of section 9.

8. In section 9 of the principal Act, in the proviso to sub-section (3), for the words "four years", the words "three years" shall be substituted.

Amendment of section 9A.

9. In section 9A of the principal Act, in the proviso to sub-section (2), for the words "four years", the words "three years" shall be substituted.

Amendment of section 11.

10. In sub-section (1) of section 11 of the principal Act, for the proviso, the following proviso shall be substituted, namely:—

"Provided that the State Government is satisfied that the licensee—

(a) has undertaken prospecting operations to establish mineral resources in such land;

(b) has not committed any breach of the terms and conditions of the prospecting licence; and

(c) is otherwise a fit person for being granted the mining lease.".

Amendment of section 13.

11. In sub-section (2) of section 13 of the principal Act,—

(*i*) clause (*d*) shall be omitted;

(*ii*) for clause (*i*), the following clause shall be substituted, namely:—

"(*i*) the fixing and collection of fees for prospecting licences or mining leases, surface rent, security deposit, fines, other fees or charges and the time within which and the manner in which the dead rent or royalty shall be payable;";

(*iii*) clause (o) shall be omitted;

(*iv*) in clause (q), after the words "may be made", the words "the fees to be paid therefor and the documents which shall accompany such applications" shall be inserted;

(*v*) after clause (q), the following clause shall be inserted, namely:—

"(*qq*) the manner in which rehabilitation of flora and other vegetation such as trees, shrubs and the like destroyed by reason of any prospecting or mining operations shall be made in the same area or in any other area selected by the Central Government (whether by way of reimbursement of the cost of rehabilitation or otherwise) by the person holding the prospecting licence or mining lease.".

Amendment of section 14.

12. In section 14 of the principal Act, for the words and figures "sections 4 to 13", the words and figures "sections 5 to 13" shall be substituted.

Amendment of section 15.

13. In section 15 of the principal Act,—

(*a*) after sub-section (*1*), the following sub-section shall be inserted, namely:—

"(*1A*) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(*a*) the person by whom and the manner in which, applications for quarry leases, mining leases or other mineral concessions may be made and the fees to be paid therefor;

(b) the time within which, and the form in which, acknowledgement of the receipt of any such applications may be sent;

(c) the matters which may be considered where applications in respect of the same land are received within the same day;

(*d*) the terms on which, and the conditions subject to which and the authority by which quarry leases, mining leases or other mineral concessions may be granted or renewed;

(*e*) the procedure for obtaining quarry leases, mining leases or other mineral concessions;

(*f*) the facilities to be afforded by holders of quarry leases, mining leases or other mineral concessions to persons deputed by the Government for the purpose of undertaking research or training in matters relating to mining operations;

(*g*) the fixing and collection of rent, royalty, fees, dead rent, fines or other charges and the time within which and the manner in which these shall be payable;

(*h*) the manner in which rights of third parties may be protected (whether by way of payment of compensation or otherwise) in cases where any such party is prejudicially affected by reason of any prospecting or mining operations;

(*i*) the manner in which rehabilitation of flora and other vegetation such as trees, shrubs and the like destroyed by reason of any quarrying or mining operations shall be made in the same area or in any other area selected by the State Government (whether by way of reimbursement of the cost of rehabilitation or otherwise) by the person holding the quarrying or mining lease;

(*j*) the manner in which and the conditions subject to which, a quarry lease, mining lease or other mineral concession may be transferred;

(*k*) the construction, maintenance and use of roads, power transmission lines, tramways, railways, serial ropeways, pipelines and the making of passage for water for mining purposes on any land comprised in a quarry or mining lease or other mineral concession;

(*l*) the form of registers to be maintained under this Act;

(*m*) the reports and statements to be submitted by holders of quarry or mining leases or other mineral concessions and the authority to which such reports and statements shall be submitted;

(*n*) the period within which and the manner in which and the authority to which applications for revision of any order passed by any authority under these rules may be made, the fees to be paid therefor, and the powers of the revisional authority; and

(*o*) any other matter which is to be, or may be, prescribed.";

(*b*) in sub-section (3),—

(*i*) for the words "royalty", the words "royalty or dead rent, whichever is more" shall be substituted;

(*ii*) in the proviso—

(*a*) for the word "royalty", the words "royalty or dead rent" shall be substituted;

(*b*) for the word "four", the word "three" shall be substituted.

Insertion of new section 17A.

14. After section 17 of the principal Act, the following section shall be inserted, namely:—

Reservation of area for purposes of conservation.

"17A. (*1*) The Central Government, with a view to conserving any mineral and after consultation with the State Government, may reserve any area not already held under any prospecting licence or mining lease and, where it proposes to do so, it shall, by notification in the Official Gazette, specify the boundaries of such area and the mineral or minerals in respect of which such area will be reserved.

(*2*) The State Government may, with the approval of the Central Government, reserve any area not already held under any prospecting licence or mining lease, for undertaking prospecting or mining operations through a Government company or corporation owned or controlled by it or by the Central Government and where it proposes to do so, it shall, by notification in the Official Gazette, specify the boundaries of such area and the mineral or minerals in respect of which such areas will be reserved.

(*3*) Where in exercise of the powers conferred by sub-section (*2*) the State Government undertakes prospecting or mining operations in any area in which the minerals vest in a private person, it shall be liable to pay prospecting fee, royalty, surface rent or dead rent, as the case may be, from time to time at the same rate at which it would have been payable under this Act if such prospecting or mining operations had been undertaken by a private person under prospecting licence or mining lease.".

Amendment of section 18.

15. In section 18 of the principal Act,—

(*a*) in sub-section (*1*),—

(*i*) for the words "for the conservation and development of minerals in India", the words "for the conservation and systematic development of minerals in India and for the protection of environment by preventing or controlling any pollution which may be caused by prospecting or mining operations" shall be substituted;

(*ii*) for the words "for that purpose", the words "for such purposes" shall be substituted;

(*b*) in sub-section (*2*), after clause (*h*), the following clauses shall be inserted, namely:—

"(*i*) the regulation of prospecting operations;

(*j*) the employment of qualified geologists or mining engineers to supervise prospecting or mining operations;

(*k*) the disposal or discharge of waste slime or tailings arising from any mining or metallurgical operations carried out in a mine;

(*l*) the manner in which and the authority by which directions may be issued to the owners of any mine to do or refrain from doing certain things in the interest of conservation or systematic development of minerals or for the protection of environment by preventing or controlling pollution which may be caused by prospecting or mining operations;

(*m*) the maintenance and submission of such plans, registers of records as may be specified by the Government;

(*n*) the submission of records or reports by persons carrying on prospecting or mining operations regarding any research in mining or geology carried out by them;

(*o*) the facilities to be afforded by persons carrying out prospecting or mining operations to persons authorised by the Central Government for the purpose of undertaking research or training in matters relating to mining or geology;

(*p*) the procedure for and the manner of imposition of fines for the contravention of any of the rules framed under this section and the authority who may impose such fines;

(*q*) the authority to which, the period within which, the form and the manner in which applications for revision of any order passed by any authority under this Act and the rules made thereunder may be made, the fee to be paid and the documents which should accompany such applications;";

Amendment of section 21.

16. In section 21 of the principal Act,—

(*a*) in sub-section (*1*), for the words "with imprisonment for a term which may extend to one year, or with fine which may extend to five thousand rupees", the words "with imprisonment for a term which may extend to two years, or with fine which may extend to ten thousand rupees" shall be substituted;

(*b*) in sub-section (*2*),—

(*i*) for the words "with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees", the words "with imprisonment for a term which may extend to one year, or with fine which may extend to five thousand rupees" shall be substituted;

(*ii*) for the words "one hundred rupees", the words "five hundred rupees" shall be substituted;

(*c*) in sub-section (4), for the words "a magistrate" the words "an officer or authority" shall be substituted;

(*d*) after sub-section (5), the following sub-section shall be inserted, namely:—

"(*6*) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, an offence under sub-section (*1*) shall be cognizable.". 2 of 1974.

Insertion of new section 24A.

17. After section 24 of the principal Act, the following section shall be inserted, namely:—

Rights and liabilities of a holder of prospecting licence or mining lease.

"24A. (*1*) On the issue of a prospecting licence or mining lease under this Act and the rules made thereunder, it shall be lawful for the holder of such licence or lease, his agents or his servants or workmen to enter the lands over which such lease or licence had been granted at all times during its currency and carry out all such prospecting or mining operations as may be prescribed:

Provided that no person shall enter into any building or upon an enclosed court or garden attached to a dwelling-house (except with the consent of the occupier thereof) without previously giving such occupier at least seven days' notice in writing of his intention to do so.

(2) The holder of a prospecting licence or mining lease referred to in sub-section (1) shall be liable to pay compensation in such manner as may be prescribed to the occupier of the surface of the land granted under such licence or lease for any loss or damage which is likely to arise or has arisen from or in consequence of the mining or prospecting operations.

(3) The amount of compensation payable under sub-section (2) shall be determined by the State Government in the manner prescribed.".

Substitution of the First Schedule by new Schedule.

18. For the First Schedule to the principal Act, the following Schedule shall be substituted, namely:—

'THE FIRST SCHEDULE

[*See* sections 4(3), 5(1), 7(2) and 8(2)]

SPECIFIED MINERALS

1. Apatite and phosphatic ores.
2. Barytes.
3. Bauxite.
4. Beryl and other Berrylium bearing minerals.
5. Chrome ore.
6. Coal and lignite.
7. Copper ore.
8. Dolomite.
9. Gold.
10. Gypsum.
11. Iron ore.
12. Kyanite.
13. Lead.
14. Limestone, except when it is used in kilns for the manufacture of lime as building material.
15. Lithium bearing minerals.
16. Magnesite.
17. Manganese ore.
18. Minerals of the "rare earths" group containing Uranium and Thorium.
19. Molybdenum.
20. Niobium bearing minerals.
21. Nickel ores.

22. Phosphorites and other phosphatic ores containing Uranium.
23. Platinum and other precious metals and their ores.
24. Pitchblende and other uranium ores.
25. Precious stones.
26. Rutile.
27. Silver.
28. Sillimanite.
29. Sulphur and its ores.
30. Tantallium bearing minerals.
31. Tin.
32. Tungsten ores.
33. Uraniferous allanite, monazite and other thorium minerals.
34. Uranium bearing tailings left over from ores after extraction of copper and gold, ilmenite and other titanium ores.
35. Vanadium ores.
36. Zinc.
37. Zircon.'.

STATEMENT OF OBJECTS AND REASONS

The Mines and Minerals (Regulation and Development) Act, 1957 provides for the regulation of mines and the development of minerals under the control of the Union. Since the last amendment of the Act in 1972, many problems have come to the fore. The adverse effects of mining operation on ecology and environment have increasingly come to notice. In many cases, mining operations have been undertaken without proper prospecting resulting in unscientific mining. Further, a number of Committees have stressed the need for amending certain provisions of the Act with the object of removing bottle-necks and promoting speedy development of mineral based industries. State Governments and representatives of trade and industry have in formal forums like the Mineral Advisory Council as well as in other forums, expressed the desirability of taking a fresh look at the various provisions of the Act with a view to making them more effective and development-oriented.

2. The suggestions made from time to time have been considered and incorporated in the present Bill, which, *inter alia*, includes the following salient features, namely:—

(i) inclusion of 11 more minerals of national importance in the First Schedule to the Act;

(ii) premature termination of prospecting licences and mining leases on ecological and other grounds;

(iii) dispensing with the Certificate of Approval, Income-tax Clearance Certificate, etc., for the grant of prospecting licences and mining leases;

(iv) prospecting of an area and preparation of mining plan as a pre-condition for the grant of a mining lease;

(v) rationalisation of the period of mining leases, and renewals thereof;

(vi) shorter periodicity for purposes of revision of royalty and dead rent; and

(vii) provision for increasing the quantum of punishment to curb illegal mining activities.

3. The Bill seeks to provide for the above objects.

NEW DELHI; K. C. PANT,
The 3rd May, 1986.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 11 of the Bill seeks to amend section 13 of the Act which confers on the Central Government power to make rules relating to the grant of prospecting licences and mining leases to empower the Central Government to make, *inter alia*, rules for fixing and collecting prospecting fees, surface rent, security deposit, fines or other charges and the manner in which dead rent and royalty shall be paid. A new clause is also proposed to be inserted to empower the Central Government to make rules laying down the manner in which rehabilitation of flora and other vegetation destroyed by reason of prospecting or mining operations shall be made by the person holding the prospecting licence or mining lease.

2. The power for making rules given to the State Government under section 15 of the Act as it presently stands, does not spell out in detail the purposes for which rules may be made. Clause 13 of the Bill seeks to amend this section to specify the matters on which State Governments may make rules. The matters specified generally correspond to the matters in respect of which the Central Government is empowered to make rules under section 13.

3. The power to make rules conferred on the Central Government under section 18 of the Act is sought to be widened to include power to make rules for purposes of systematic development of minerals and protection of environment by preventing or controlling pollution caused by mining operations.

4. The delegation of legislative power under the above clauses is normal in character.

II

BILL NO. XXI OF 1986

A Bill further to amend the Indian Electricity Act, 1910.

BE it enacted by Parliament in the Thirty-seventh year of the Republic of India as follows:—

1. This Act may be called the Indian Electricity (Amendment) Act, 1986. Short title.

9 of 1910. 2. For section 39 of the Indian Electricity Act, 1910 (hereinafter referred to as the principal Act), the following sections shall be substituted, namely:— Substitution of new sections for section 39.

Theft of energy. "39. Whoever dishonestly abstracts, consumes or uses any energy shall be punishable with imprisonment for a term which may extend to three years, or with fine which shall not be less than one thousand rupees, or with both; and if it is proved that any artificial means or means not authorised by the licensee exist for the abstraction, consumption or use of energy by the consumer, it shall be presumed, until the contrary is proved, that any abstraction, consumption or use of energy has been dishonestly caused by such consumer.

Abetment.

39A. Whoever abets an offence punishable under section 39 or section 44 shall, notwithstanding anything contained in section 116 of the Indian Penal Code, be punished with punishment provided for the offence.". 45 of 1860.

Amendment of section 44.

3. In section 44 of the principal Act,—

(*a*) after clause (*a*), the following clause shall be inserted, namely:—

"(*aa*) unauthorisedly re-connects any meter referred to in sub-section (*1*) of section 26, or any meter, indicator or apparatus referred to in sub-section (*7*) of section 26, with any electric supply-line or other works, being the property of the licensee, through which energy may be supplied, when the said electric supply line or other works has or have been cut or disconnected under sub-section (*1*) of section 24; or";

(*b*) for the words "shall be punishable with fine which may extend to five hundred rupees", the words "shall be punshable with imprisonment for a term which may extend to three years, or with fine which may extend to five thousand rupees, or with both" shall be substituted;

(*c*) after the words, brackets and letter "such connection as is referred to in clause (*a*),", the words, brackets and letters "or such re-connection as is referred to in clause (*aa*)," shall be inserted;

(*d*) for the words "that such connection, communication", the words "that such connection, re-connection, communication" shall be substituted.

Amendment of sections 47 and 48.

4. In sections 47 and 48 of the principal Act, for the word and figures "sections 39", the words, figures and letter "section 39, section 39A or section 40" shall be substituted.

Amendment of section 49.

5. In section 49 of the principal Act, for the word and figures "sections 39, 40", the word, figures and letter "sections 39, 39A, 40" shall be substituted.

Amendment of section 50.

6. In section 50 of the principal Act, after the words "the Government", the words "or a State Electricity Board" shall be inserted.

STATEMENT OF OBJECTS AND REASONS

The Indian Electricity Act, 1910, deals with the supply and use of electrical energy in the country. With a view to discouraging theft of energy and tampering with meters and electrical installations, the punishments provided for such offences are being made more stringent. In view of this, it is proposed mainly to amend sections 39, 44 and 50 of the Act suitably in this behalf.

2. Section 39 of the Act, which deals with the theft of energy, is proposed to be substituted by two new sections, one to make the theft of energy a cognizable offence by increasing the punishment, and the other to provide specifically for punishment for the abetment of such offence as the offence of theft of energy is generally committed in connivance with persons, particularly persons having knowledge of the working of electrical equipment.

3. Section 44 of the Act, which deals with penalty for inteference with meters or licensee's works, is proposed to be suitably amended to make unauthorised re-connection of any electric supply lines with meters or licensee's works as a specific offence. The offences under section 44 are also proposed to be made cognizable offences by increasing the punishment provided in the section.

4. Section 50 of the Act, which deals with the institution of prosecutions, is proposed to be amended so as to specifically authorise also State Electricity Boards to institute prosecutions.

5. The Bill seeks to achieve the aforesaid objects.

NEW DELHI;
The 8th May, 1986.

VASANT SATHE.

SUDARSHAN AGARWAL,
Secretary-General.

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